1996 Annual Report

CHOOSING REACHABLE GOALS...
ACHIEVING PEAK PERFORMANCE

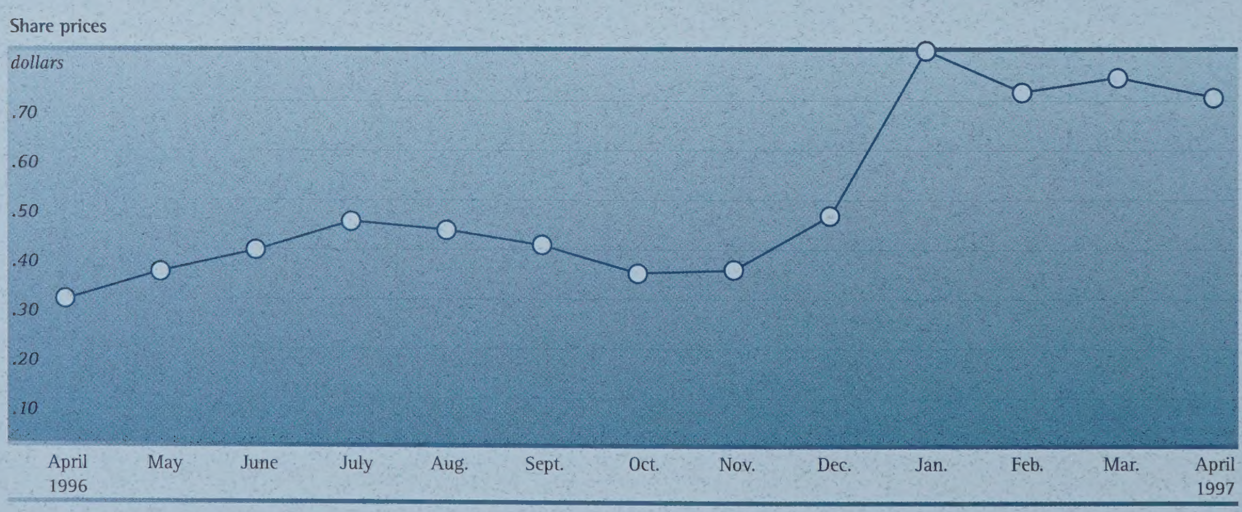
Mera Petroleums Inc.

MERA PETROLEUMS INC. IS:

- An oil and gas exploration and development company based in Calgary, Alberta
- Building a solid production base by purchasing and developing properties with long lives and reasonable cash flows
- Investing up to 30% of its Canadian resources for international development projects
- Enhancing shareholder value by developing and farming out higher risk, longer term projects
- Achieving its objectives, while remaining debt free
- Listed on the Alberta Stock Exchange under the symbol **MPR**

YEAR AT A GLANCE:

- Three wells drilled and completed in January and March of 1997 add significant gas reserves to the East Darwin prospect
- Mera increases its oil and gas assets by 135% to $4.0 million
- Mera raises $212,250 by selling 283,000 common shares at $0.75/share through a private placement in March of 1997
- Mera increases the depth of its board by the addition of Randall Marshall, P. Eng. and Ronald Peirce, P. Geol.
- Mera traded at a high of $0.80 per share



EUB – (Alberta) Energy and Utilities Board

BOEPD – Barrels of oil equilvalent per day

MMCFD – Million cubic feet per day

DCF – Discounted cash flow

TCF – Trillion cubic feet

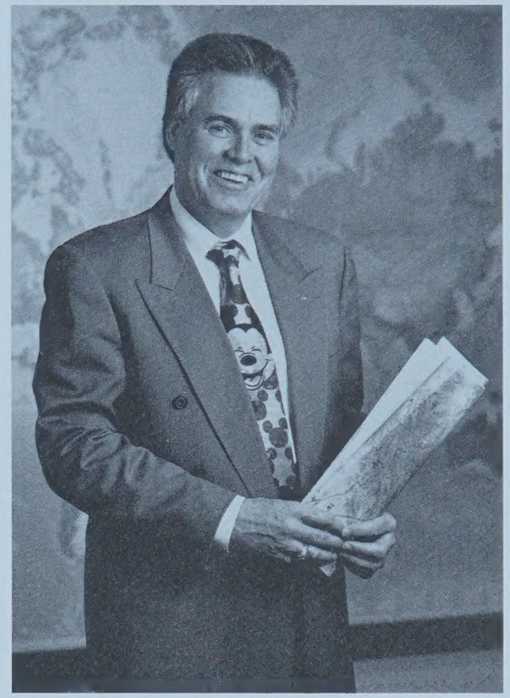
Cover photo: Mera Peak in the Himalayas of Nepal – south of Mount Everest

REPORT TO SHAREHOLDERS

1996 IN REVIEW

Nineteen-ninety-six was a year of achievement for your company. Production remained steady, while reserves and assets dramatically increased.

In keeping with our ongoing philosophy of building assets through the use of equity – while retaining tight control over shares – Mera built assets to a record value of $4 million[1] in 1996. Our per share asset value rose from $0.51 to $0.94. Proved and probable reserves of oil increased from 65 to 103 thousand barrels and gas increased from 6 to 7.3 billion cubic feet.



ROBERT D. McLEAY, P. Geol.
President & Chief Executive Officer

OVER 20 MMCFD FOUND IN DARWIN

The bulk of the 135 percent increase in asset value came from the drilling of eight wells in our Darwin field, five of which tested significant quantities of gas. Just two of these wells production tested an outstanding 20 MMCFD, which is more than enough to meet our threshold volumes for plant construction. We believe our latest 13.6 MMCFD well is the largest Bluesky discovery in the area and a huge find for your company. This most recent strike will not be added to our assets until we receive a detailed production report.

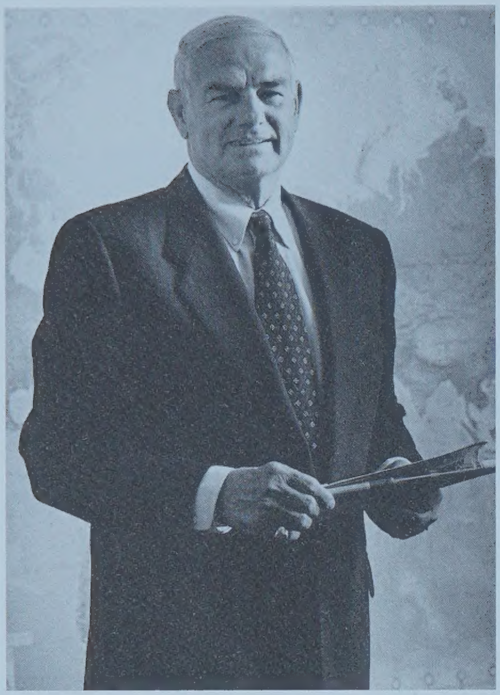
As you know, Mera holds a 20 percent working interest in 22,000 acres in the Darwin gas field, some 60 miles north east of Peace River, Alberta, and a 100 percent working interest in a further 5,000 acres in the same field. Although plant construction had to be delayed for a year – due to poor drilling rig availability and difficulties securing mineral surface leases – we are very pleased with our initial share of production. When Darwin comes on stream in April 1998 we expect to add 200 BOEPD, or four times our current production.

1996 was a year of achievement for your company

SYLVAN LAKE WELL PURCHASED

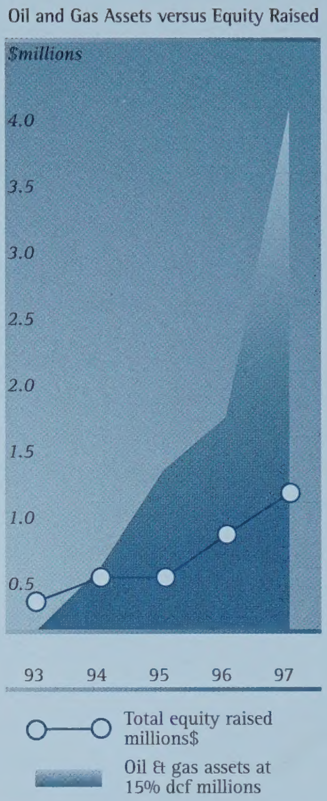
Due to our increased activity this year Mera invested $405,580 in capital expenditures, versus $77,310 in 1995. The bulk of the capital was invested in getting Darwin up and running. Mera has also negotiated the purchase of a 100 percent interest in a Sylvan Lake gas well. When we complete the tying in of the

[1]An external engineering evaluation using escalated prices and costs and discounting at 15 percent with probable reserves reduced by 50 percent to account for risk gives Mera's oil and gas assets a value of $3.968 million.



DONALD R. GETTY
Director

Sylvan Lake well June 1, 1997 we expect it to add 35 - 45 BOEPD, bringing our total to 100 BOEPD. In an effort to enhance our production further, your company has also become active in the Rycroft and Rosevear areas of Alberta. We will, as always, keep you informed of our progress.



As a result of increased capital and other expenditures, our net loss for the year increased slightly from $52,832 in 1995, to $59,240 in 1996. Revenues from petroleum and natural gas sales increased to $260,469 in 1996, up from $236,067 in 1995, due to higher prices. Production remained stable at 50 BOEPD.

To finance current operations, drilling and further acquisitions Mera raised $315,000 by the sale of 900,000 flow through shares at $0.35 per share in April of 1996, and $212,250 by the sale of 283,000 common shares at $0.75 per share in March of 1997. From its inception your company has raised $1.1 million and has assets in excess of $4.0 million to show for it. For each dollar raised we try to realize $4 in return, while remaining debt free.

Your board underwent some major changes this year

CHANGES MADE TO BOARD

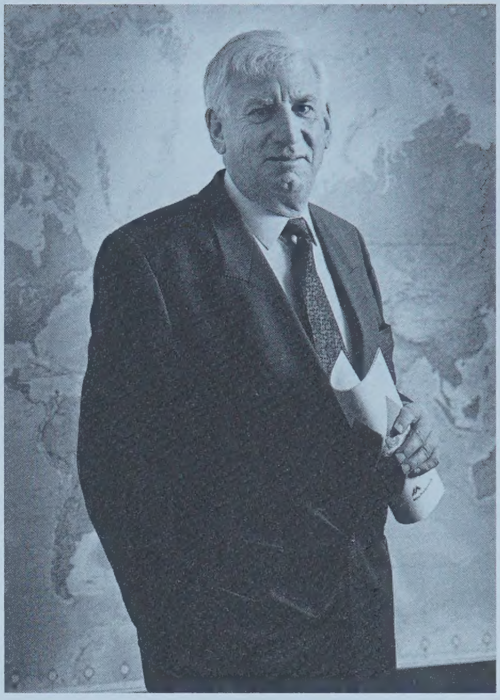
Your board underwent some major changes this year with the addition of Randy Marshall, P.Eng. and Ron Peirce, P.Geol. and the departure of Don Conn.

On behalf of your company I would like to take this opportunity to offer our gratitude to Don Conn for his valuable assistance, advice and unswerving dedication to Mera in its formative years. Mr. Conn leaves us to devote more time to his own rapidly growing business. We wish him well.

In view of the major developments on Mera's horizon, your board increased its number by one. In filling the vacancies we were careful to select directors with broad backgrounds in the development, financing and management of major oil and gas projects, both here in Canada and around the world.

Randy Marshall, P.Eng. joined the board January, 1997 and brings with him over 30 years experience as a production engineer and senior executive in the upstream sector of the oil and gas industry. His skills in the areas of economics, property evaluation, production, operations, project management engineering and administration are a timely addition to your board's expertise. In addition to serving as a Mera director, Mr. Marshall acts as vice president of production, operations and engineering for two publicly listed Calgary oil companies.

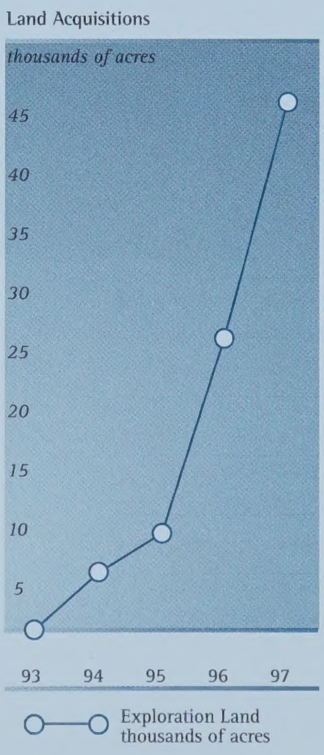
Ron Peirce, P.Geol. was appointed to the board in April,1997. He has over 40 years experience in the upstream sector of the Canadian oil and gas industry, as well as involvement with international projects in Peru, Brazil and the U.S.A. For the past 15 years he has managed major exploration programs for companies like Canadian Occidental, Westar and CN Exploration. He brings expertise in all phases of exploration to Mera, including the development of investment, financing and farm-out strategies and the organization and management of operations. Mr. Peirce is currently president of Thyer Holdings Ltd..



RONALD T. PEIRCE, P.Geol.
Director

SHARE PRICE APPRECIATES

Mera's share price reached a peak of $0.80 in January of 1997, up 166 percent from when the shares traded for $0.30 one year ago. Your company's shares also traded at much higher volumes for 1996. Some 842,000 shares traded hands, versus 126,000 for all of 1995. This is approximately 20 percent of our issued stock. At the close of 1996 Mera had 4,208,300 shares outstanding. For the period January 1 to April 21, 1997 Mera traded 256,171 common shares. Our average share price ending April 21, 1997 has been approximately $0.70.



Your company has a very ambitious budget of $4.0 million

1997 OUTLOOK

Your company has a very ambitious budget of $4.0 million dollars of committed capital funds for the coming year which will be directed to drilling, completion and gas

plant construction. Funding for this will be accomplished with a combination of flow-through and common shares, as well as capital leases for equipment. We intend to maintain our 4:1 asset growth to investment ratio.

Although the bulk of these funds are designated for Darwin, we have already spent $410,000 on both Sylvan Lake and Darwin since January. Over the next twelve months we plan to drill four to eight more wells in Darwin and construct a 10 MMCFD gas plant, transmission lines and related facilities. To market the Sylvan Lake and Darwin gas Mera successfully negotiated gas contracts with PROGAS and PanAlberta Gas, which will mean increased revenues for 1997.

Production for 1997 should exit at 200 BOEPD, up from our current production of 50 BOEPD. In April of 1998 we can expect to add a further 200 to 400 BOEPD for Darwin, for a total of 400-600 BOEPD.

Our most ambitious long term project is still ongoing in the La Guajira basin of northern Colombia, South America. From detailed geophysical mapping on a stratigraphic gas trap Mera estimates the field to contain 1.0 trillion cubic feet of gas in place. The initial geological work-up is a spin-off of a basin study completed by your president in 1989 for state oil company ECOPETROL. La Guajira has the potential to add 5,000 to 10,000 BOEPD to your company's production. To that end Mera is in the midst of formal negotiations on a 850,000 acre gas concession.

Mera is working on a proposed budget of a further $6.4 million of non-committed capital funds to be spent over the next three years on both oil and gas developments we have in hand that we can proceed with once we have our contracts in place. These include potential projects in the Rosevear and Rycroft areas of Alberta and in the La Guajira basin of northern Colombia, South America. In light of these plans we are currently negotiating with two financial institutions for several fund-raisings totaling some $2.0-4.0 million dollars.

In summary, 1996 was a year of asset growth for your company. As always, we exited 1996 debt-free. We will continue to operate in this manner as long as it is prudent to do so.

Directors left to right
RON PEIRCE, DON GETTY, PHIL LAWTON,
BOB McLEAY, RANDY MARSHALL

In 1997 your management intends to capitalize on these assets and increase production dramatically. Mera has entered 1997 with a large prospect inventory and a capital budget that is ten times what we spent in 1996.

Higher gas and oil prices in Alberta have helped your company by providing revenue to pursue other prospects. Mera will continue to build a stable base of operations in Canada, to build on that cash flow, and to invest in smaller pieces of high risk international prospects as we develop them. Our goal is to commit approximately 30 percent of our resources to these projects.

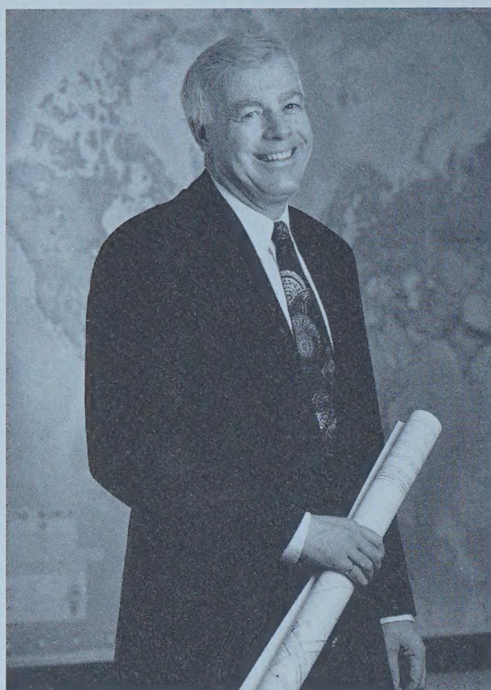
As we continue to pursue "Reachable Goals and Achieve Peak Performance", I would like to thank our shareholders for your continued patience and support.

(Signed)

Robert D. McLeay, P.Geol.
President and Chief Executive Officer

Calgary, Alberta
April 21, 1997

PROPERTIES AND OPERATIONS REVIEW



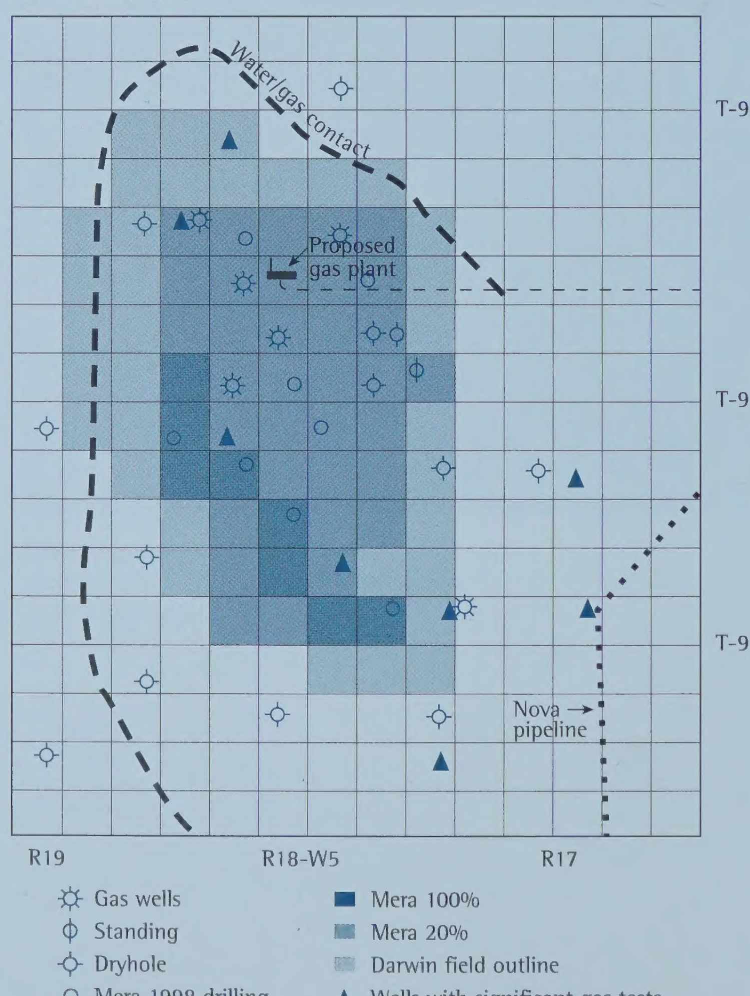
RANDALL S. MARSHALL, P.Eng.
Director

DARWIN

Mera drilled five wells between January and March 1997, which brings our Darwin well count to eight. Five wells tested commercial quantities of dry gas. One of the wells production tested at 6.33 MMCFD. Two and one half miles southwest of this well Mera production tested a second well at the rate of 13.6 MMCFD. Two wells were dry and abandoned. One well remains to be logged and subsequently tested.

The Darwin area's extremely short drilling season precluded Mera from drilling up sufficient reserves to go ahead with plant construction this winter. It is Mera's intention to proceed with tie-in between January and April, 1998. This will involve the construction of a 6 inch, ten-mile pipeline, a meter station at the Nova line connection, drilling of four to eight additional

Darwin Gas Field



wells, drilling of a water disposal well, and construction of a gas plant to handle an initial throughput of 10 MMCFD. All pipeline permits are in place, surveying is complete and plant equipment has been ordered. Nova will construct the meter station in the spring of 1998.

Mera holds a 20 percent working interest in 22,000 acres of crown lands and an additional 100 percent working interest in 5,000 acres of crown lands, all within the EUB field outline. Four wells are licensed on the 22,000 acre block and Mera has surveyed four wells on its 5,000 acre block. Drilling in the latter will be highly dependent on rig availability. Darwin has been an extremely good investment for your company. Over the coming months Mera will be pursuing further acquisitions in the general area of Darwin.

CALMAR

With a daily production of 35-40 barrels of oil, Calmar remains our largest cash generating vehicle until Darwin comes on stream. Calmar has appreciated considerably in value with increased oil prices. Since we replaced our field operator, our production from Calmar has been slowly rising.

SYLVAN LAKE

Mera owns a 100 percent working interest in 640 acres and the wells at 15-23-37-04w5m and 06-23-37-04w5m in the Sylvan Lake area of Alberta. To date your company has bought out its partners in this area and surveyed a pipeline route to tie-in the 15-23 well immediately following breakup.

Areas of activity

BRENDA KRUGGEL
Administrative Assistant

SHARON PEARCE-McLEAY
Public Relations Consultant

We expect the 15-23 well to produce at 35-45 BOEPD effective June 1,1997. Gas purchase and processing contracts are in place. Total costs for this project are $260,000.

RYCROFT AND ROSEVEAR

Mera has developed prospects in both of these areas and is negotiating the purchase of lands and wells. We hope to provide you with a further report on these prospects by the second quarter.

LA GUAJIRA PROJECT – COLOMBIA, S.A.

Mera and its partners are in negotiations with Colombian state oil company ECOPETROL for a concession in the northern province of La Guajira. Mera has requested a 850,000 acre exploration concession in this gas prone region.

This area – estimated to hold in excess of 4.0 TCF of reserves – has just recently become more active with increased demand for gas. In fact, Texaco just recently brought three horizontal gas wells on stream in December of 1996 at 100 MMCFD each.

La Guajira is a gas prospect that your president developed for ECOPETROL in 1989, which it decided not to pursue. Mera has detailed seismic and geological data to support a stratigraphic trap that could contain as much as 1.0 trillion cubic feet of gas in place. Production from this area has the potential to add 5,000-10,000 BOEPD to your company. Transportation, gas contracts and markets exist, which bode well for a successful venture. As the prospect originator, and if negotiations are successful, Mera will hold a 33.3 percent working interest, and a royalty on the balance.

As can be expected the investment community is showing a great deal of interest in this venture. To speed the development of the project in this gas prone zone Mera has formed a strategic alliance with two firms, one of which builds co-generation facilities in Colombia.

MANAGEMENT'S REPORT

The annual report and financial statements have been prepared by management and approved by the Board of Directors. The financial statements have been prepared in accordance with generally accepted accounting principles applied on a consistent basis. Management acknowledges responsibility for the fairness, integrity and objectivity of all financial information contained in the annual report, including the financial statements.

(Signed)

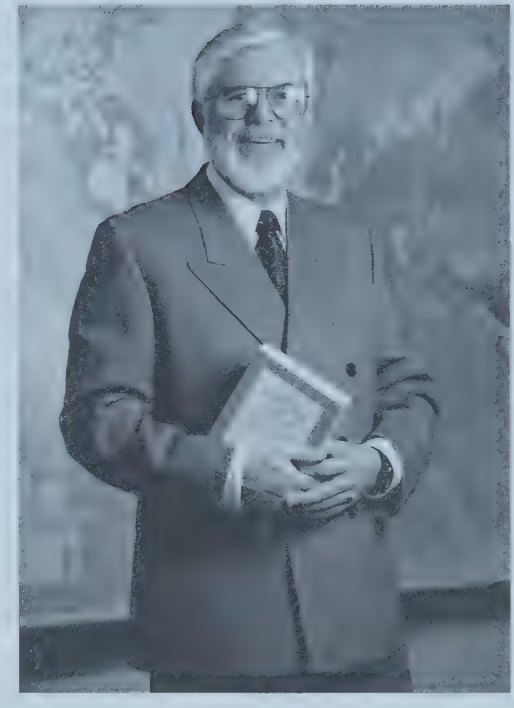
Robert D. McLeay, P.Geol.
President

Calgary, Alberta
April 21, 1997

(Signed)

Philip R. Lawton, C.A.
Secretary

Calgary, Alberta
April 21, 1997



PHILIP R. LAWTON, C.A.
Director and Secretary

AUDITOR'S REPORT

TO THE SHAREHOLDERS OF MERA PETROLEUMS INC.

I have audited the balance sheets of Mera Petroleums Inc. as at December 31, 1996 and 1995 and the statements of operations and deficit and changes in financial position for the years then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 1996 and 1995 and the results of operations and changes in financial position of the Company for the years then ended in accordance with generally accepted accounting principles.

M. H. Shaikh Professional Corporation

Chartered Accountant

Calgary, Alberta

March 5, 1997

BALANCE SHEETS

As at December 31, 1996 and 1995

	1996	1995
ASSETS		
Current		
Cash	$ 153,318	$ 45,495
Accounts receivable	57,129	33,083
Prepaid expenses	5,954	2,874
	216,401	81,452
Capital assets (Note 3)	669,439	334,826
	$ 885,840	$ 416,278
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 329,316	$ 68,535
Provision for site restoration costs	30,539	24,332
	359,855	92,867
Shareholders' equity		
Share capital (Note 4)	721,479	455,942
Deficit	(195,494)	(132,531)
	525,985	323,411
	$ 885,840	$ 416,278

Approved on behalf of the Board:

(signed)
Robert D. McLeay, P.Geol
Director

(signed)
Philip R. Lawton, C.A.
Director

see accompanying notes

STATEMENT OF OPERATIONS AND DEFICIT

Years Ended December 31, 1996 and 1995

		1996		1995
REVENUE				
Petroleum and natural gas sales, net of royalties	$	255,452	$	234,764
Other		5,017		1,303
		260,469		236,067
EXPENSES				
Production		117,688		108,882
General and administrative		151,053		124,055
Amortization and depletion		34,504		46,327
Investor relations		16,464		9,655
		319,709		288,919
Net loss		59,240		52,852
Premium on purchase of common shares		5,624		–
Gain on resale of common shares		(1,901)		–
Deficit, beginning of year		132,531		79,679
Deficit, end of year	$	195,494	$	132,531
Loss per share	$	(0.02)	$	(0.02)

see accompanying notes

STATEMENT OF CHANGES IN FINANCIAL POSITION

Years Ended December 31, 1996 and 1995

	1996	1995
OPERATING ACTIVITIES		
Net loss	$ (59,240)	$ (52,852)
Add non-cash item:		
Amortization and depletion	34,504	46,327
Cash flow from operations	(24,736)	(6,525)
Net change in non-cash working capital	233,655	56,278
	208,919	49,753
FINANCING ACTIVITIES		
Issue of common shares	317,500	–
Share issuance costs	(6,209)	–
Purchase of common shares	(9,887)	–
Proceeds on resale of common shares	3,080	–
	304,484	–
INVESTING ACTIVITIES		
Capital expenditures	(405,580)	(77,310)
Proceeds on sale of capital assets	–	25,000
	(405,580)	(52,310)
Increase (decrease) in cash during the year	107,823	(2,557)
Cash and short term deposits, beginning of year	45,495	48,052
Cash and short term deposits, end of year	$ 153,318	$ 45,495

see accompanying notes

NOTES TO THE FINANCIAL STATEMENTS

Years Ended December 31, 1996 and 1995

1. INCORPORATION AND OPERATIONS

The Company was incorporated on April 29, 1993 under the Business Corporations Act (Alberta). Initially established as a Junior Capital Pool under the Alberta Securities Commission Policy 4.11, the Company graduated to the Alberta Stock Exchange's regular board upon acceptance of its major transaction on April 29, 1994 and is currently involved in the exploration and development of petroleum and natural gas reserves in western Canada.

Realization of the stated asset values is dependent upon future profitable operations, external financing or proceeds from their disposal.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Company have been prepared in accordance with accounting principles generally accepted in Canada. The more significant of these accounting policies are as follows:

a) Petroleum and natural gas properties

The full cost method of accounting is followed in accordance with the guideline issued by the Canadian Institute of Chartered Accountants for petroleum and natural gas properties, whereby all costs relating to the acquisition of, exploration for and development of petroleum and natural gas reserves are capitalized. Such costs include lease acquisitions, geological and geophysical activities, carrying charges on undeveloped properties, the drilling of productive and non-productive wells, and directly related overhead charges.

Costs are accumulated in one cost centre representing activity in Canada. Total capitalized costs plus a provision for future development costs of proven undeveloped reserves are depleted and amortized using the unit of production method, based on estimated proven oil and gas reserves as determined by independent engineers. For purposes of the depletion and amortization calculation, proven oil and gas reserves are converted to a common unit of measure on the basis of their approximate relative energy content.

Proceeds from the sale of petroleum and natural gas properties are applied against capitalized costs, with no gain or loss recognized except where the sale results in a change of 20% or more in the rate of depletion and amortization.

In applying the full cost method of accounting, capitalized costs including a provision for necessary future development expenditures less depletion and amortization are restricted from exceeding an amount equal to the estimated undiscounted future net revenues from proven reserves, based on current prices and costs, less the aggregate estimated future removal and site restoration costs net of salvage values, development costs, general and administrative, financing and income tax costs derived from proven reserves, plus the lower of cost and estimated fair value of developed properties. Should this comparison indicate an excess carrying value, a write-down would be recorded.

Net operating revenue received by the Company between the effective acquisition dates and closing dates of the respective transactions are reflected as a reduction in the purchase price of the related petroleum and natural gas properties.

b) Future abandonment and site restoration costs

Estimated future abandonment and site restoration costs are provided for over the life of the proven reserves on a unit-of-production basis. Costs are estimated each year by management based on current regulations, costs, technology and industry standards. The annual charge is included in depletion and amortization expense and actual abandonment and site restoration expenditures are charged to the accumulated provision account as incurred.

c) Joint activities

Many of the exploration and production activities of the Company are conducted jointly with others and accordingly these financial statements reflect only the Company's proportionate interest in such activities.

d) Office furniture and equipment

Office furniture and equipment are recorded at cost less accumulated amortization. Amortization is provided at the following rates on a declining balance:

Computer hardware	30%
Furniture and equipment	20%

e) Per share data

Loss per share is calculated using the weighted monthly average number of shares outstanding (1996 - 3,937,207; 1995 - 3,315,300). Fully diluted loss per share is not disclosed as the effects of the assumed share purchase options as disclosed in Note 4(b) would be anti-dilutive.

3. CAPITAL ASSETS

		1996		*1995*
	Cost	Accumulated Amortization and Depletion	Net Book Value	Net Book Value
Petroleum and natural gas properties and equipment	$ 749,893	$ 95,675	$ 654,218	$ 328,304
Furniture and equipment	24,275	9,054	15,221	6,522
	$ 774,168	$ 104,729	$ 669,439	$ 334,826

In 1996, the Company has excluded no amount (1995 - $38,835) of petroleum and natural gas properties from depletion related to unproven properties.

4. SHARE CAPITAL

a) Authorized

Unlimited number of common shares.

Unlimited number of preferred shares with rights, privileges and conditions to be determined by resolution of the Board of Directors.

b) Issued and outstanding

	Shares	Amount
Balance, December 31, 1994 and 1995	3,315,300	$ 455,942
For cash pursuant to share purchase options	10,000	2,500
Flow-through shares issued for cash		
Directors	114,000	39,900
Others	786,000	275,100
Tax effect of flow-through	–	(42,670)
Purchase of common shares	(23,500)	(4,263)

Resale of common shares	6,500	1,179
Share issuance costs	–	(6,209)
Balance, December 31, 1996	4,208,300	$ 721,479

During 1996, the Company issued 900,000 flow-through common shares at a price of $0.35 per common share for total consideration of $315,000. The Company renounced qualifying expenditures totalling $96,320 during 1996.

In 1997 the Company will renounce $218,680 of qualifying expenditures associated with flow-through shares outstanding at December 31, 1996. As a result of this renunciation, petroleum and natural gas properties and share capital will be reduced by the tax effect of flow-through renunciation in the amount of $96,875.

During 1996 the Company acquired 23,500 common shares under an Issuer Bid for $9,887 of which 6,500 were resold during 1996 for proceeds of $3,080 and 13,500 were resold subsequent to December 31, 1996 for proceeds of $7,445.

At December 31, 1996, the Company has the following outstanding options to purchase common shares for directors and employees of the Company:

Number of Options	Exercise Price Per Option	Expiry Date
156,000	$0.20	May 31, 1998
80,000	$0.25	December 20,1999
52,000	$0.20	January 31, 2001
135,000	$0.30	November 30, 2001

During 1996, options to purchase 52,000 common shares at $ 0.20 per common share and 20,000 common shares at $0.25 per common share were cancelled upon the resignation of a director.

Subsequent to December 31, 1996, options to purchase 52,000 common shares at $0.75 per common share were granted to a new director. These options expire January 31, 2002.

5. INCOME TAXES

a) The Company has incurred income tax losses which are available to offset income from operations to the extent of $124,534. The value of these loss carry forwards has not been recorded in these financial statements. These losses expire in the following years:

2000	$ 27,254
2001	60,405
2002	14,908
2003	21,967

b) The provision for income taxes differs from the result which would be obtained by applying the combined Canadian Federal and Provincial income tax rate of approximately 44.3% to loss before income taxes. The difference results from the following:

	1996	1995
Computed expected recovery	$ (26,243)	$ (23,413)
Increase (decrease) in taxes resulting from the following:		
Crown royalties, net of Alberta royalty tax credit	3,381	2,544
Non-deductible charges	16,941	20,863
Other	(3,810)	(3,374)
Losses for which no tax benefit is recorded	9,731	3,380
Provision for income taxes	$ -	$ -

At December 31, 1996, the Company had net book value in excess of tax deductions in the amount of $25,413.

6. COMMITMENT

The Company is committed to lease office space for $1,439 per month until June 30, 1999. Minimum lease payments over the next three years are estimated as follows:

1997	$ 17,268
1998	$ 17,268
1999	$ 8,634

7. RELATED PARTY TRANSACTIONS

During 1996, $44,375 (1995 - $56,100) was paid to directors of the Company for management services. At December 31, 1996, an amount receivable for $7,318 from a company controlled by a director remains outstanding.

8. SUBSEQUENT EVENT

Subsequent to year end, the Company offered up to a maximum of 1,000,000 common shares through private placement at a price of $0.75 per common share for total consideration of $750,000. At March 5, 1997, 283,000 common shares have been issued for $212,250.

9. FINANCIAL INSTRUMENTS

The Company's financial instruments that are included in the balance sheet are composed of accounts receivable and current liabilities.

a) Fair values of financial assets and liabilities

The fair values of financial instruments that are included in the balance sheet approximate their carrying amount due to the short term maturity of those instruments.

b) Credit risk

Virtually all of the Company's accounts receivable are with customers in the oil and gas industry and are subject to normal industry credit risks.

10. COMPARATIVE INFORMATION

Certain comparative information has been reclassified to conform with the current year's presentation.

CORPORATE INFORMATION

Directors

Robert D. McLeay, P. Geol.
President & Chief Executive Officer
Mera Petroleums Inc.
Calgary, Alberta

Donald R. Getty
President
Sunnybank Investments Ltd.
Edmonton, Alberta

Philip R. Lawton, C.A.
President of Lawton Management
Consulting Services
Former Chief Financial Officer
Hurricane Hydrocarbons Ltd.
Calgary, Alberta

Randall S. Marshall, P. Eng.
Vice President, Production,
Operations & Engineering
First Star Energy Ltd.
Calgary, Alberta

Ronald T. Peirce, P. Geol.
President
Thyer Holdings Ltd.
Calgary, Alberta

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